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Financing of the United Nations Peacekeeping Force in Cyprus

Financing arrangements for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2007 to 30 June 2008

Note by the Secretary-General

1. By its resolution 61/280 on the financing of the United Nations Peacekeeping Force in Cyprus (UNFICYP), the General Assembly appropriated for UNFICYP the total amount of $48,847,500 for the period from 1 July 2007 to 30 June 2008, inclusive of $46,587,400 for the maintenance of the Force, $1,943,800 for the support account for peacekeeping operations and $316,300 for the United Nations Logistics Base at Brindisi, Italy.

2. Resources approved by the General Assembly for UNFICYP provided for the maintenance of 860 military contingent personnel and 69 United Nations police on the basis of prevailing support arrangements. However, in its resolution 61/276, the General Assembly endorsed the revised support arrangements for staff officers, based on the recommendation of the Secretary-General in paragraph 94 of his overview report (A/61/786) and the related recommendation of the Advisory Committee on Administrative and Budgetary Questions in paragraph 35 of its report (A/61/852). As a consequence, from 1 July 2007, staff officers have been provided with mission subsistence allowances, at the full rate of 81 Cyprus pounds per person-day for the first 30 days and at the rate of £C 45 per person-day thereafter, in lieu of standard reimbursements to troop-contributing countries for troop costs, resulting in additional requirements for the 2007/08 period for which no related provisions were made in the approved 2007/08 budget. Additional requirements are also attributable to the change in support arrangements for United Nations police, the recent revision of the salary scale for national staff effective 1 January 2008 and fluctuations in the exchange rate between the Cyprus pound and the United States dollar (July to December 2007) and between the euro and the United States dollar (from January 2008 onward). The additional requirements related to these changes are currently estimated at $4,027,700, of which $381,200 can be accommodated through the reprioritization of the utilization of currently

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approved resources for the 2007/08 period, resulting in additional requirements of $3,646,500 gross ($3,500,200 net) (see table).

Additional resource requirements for the period from 1 July 2007 to 30 June 2008

(Thousands of United States dollars)

Category	*Apportionment (2007/08)* *(1)*	*Total projected expenditure (2007/08)* *(2)*	*Variance* *Amount* *(3)=(2)-(1)*	*Variance* *Percentage* *(4)=(3)÷(1)*
Military and police personnel				
Military observers	—	—	—	—
Military contingents	18 900.0	19 807.0	(907.0)	(4.8)
United Nations police	1 150.6	2 723.0	(1 572.4)	(136.7)
Formed police units	—	—	—	—
Subtotal	**20 050.6**	**22 530.0**	**(2 479.4)**	**(12.4)**
Civilian personnel				
International staff	6 019.6	5 916.3	103.3	1.7
National staff	6 601.7	7 419.0	(817.3)	(12.4)
United Nations Volunteers	—	—	—	—
General temporary assistance	79.0	79.0	—	—
Subtotal	**12 700.3**	**13 414.3**	**(714.0)**	**(5.6)**
Operational costs				
Government-provided personnel	—	—	—	—
Civilian electoral observers	—	—	—	—
Consultants	—	—	—	—
Official travel	269.5	148.5	121.0	44.9
Facilities and infrastructure	6 547.3	6.764.2	(216.9)	(3.3)
Ground transportation	3 047.9	3 560.9	(513.0)	(16.8)
Air transportation	1 589.1	1 548.5	40.6	2.6
Naval transportation	—	—	—	—
Communications	958.5	936.0	22.5	2.3
Information technology	606.0	548.8	57.2	9.4
Medical	304.8	305.9	(1.1)	(0.4)
Special equipment	11.5	8.2	3.3	28.7
Other supplies, services and equipment	501.9	468.6	33.3	6.6
Quick-impact projects	—	—	—	—
Subtotal	**13 836.5**	**14 289.6**	**(453.1)**	**(3.3)**
Gross requirements	**46 587.4**	**50 233.9**	**(3 646.5)**	**(7.8)**
Staff assessment income	1 998.3	2 144.6	(146.3)	(7.3)
Net requirements	**44 589.1**	**48 089.3**	**(3 500.2)**	**(7.8)**
Voluntary contributions in kind (budgeted)	1 471.0	1 471.0	—	—
Total requirements	**48 058.4**	**51 704.9**	**(3 646.5)**	**(7.6)**

3. Accordingly, the projected revised requirements for the maintenance of UNFICYP would amount to $50,233,900 gross ($48,089,300 net) for the period from 1 July 2007 to 30 June 2008, representing an increase of $3,646,500 gross ($3,500,200 net) over the appropriation of $46,587,400 gross ($44,589,100 net) approved by the General Assembly for the maintenance of the Force in its resolution 61/280.

4. The additional resource requirements of $907,000 for military contingents are attributable to the revision of the support arrangements for staff officers, effective 1 July 2007, who have been receiving mission subsistence allowances at the rate of £C 81 per person-day for the first 30 days and £C 45 per person-day thereafter, in lieu of standard reimbursements to troop-contributing countries for troop costs.

5. The additional requirements of $1,572,400 for United Nations police officers are attributable to the change in support arrangements, resulting in the cessation of the provision by UNFICYP of accommodation facilities. As a consequence, effective 1 September 2007, the mission subsistence allowance rate was increased from £C 19 per person-day (with accommodation provided by UNFICYP) to the full rate of £C 81 per person-day for the first 30 days and £C 45 per person-day thereafter (for food, accommodation and incidental costs).

6. The additional requirements of $817,300 for national staff are attributable to the increased provision for salaries, common staff costs and staff assessment for national staff, based on the revision of the salary scale for national staff effective 1 January 2008, which, for the first time, is denominated in euros, based on a fixed conversion rate of 0.585 Cyprus pound to one euro.

7. The additional requirements of $216,900 under facilities and infrastructure are attributable to increased costs for utilities and maintenance services provided by local contractors, as a result of the fluctuations in the exchange rate between the Cyprus pound and the United States dollar (from July to December 2007) and between the euro and the United States dollar from January 2008 onward.

8. The additional requirements of $513,000 under ground transportation are attributable to the increased costs for the acquisition of a water truck, the urgent replacement of a sewage truck and the increased costs of fuel owing to fluctuations in the exchange rate between the Cyprus pound and the United States dollar (from July to December 2007) and between the euro and the United States dollar from January 2008 onward.

9. The additional requirements of $1,100 under "medical" are attributable to the projected increased costs of medical services in local hospitals and private clinics.

10. In connection with the Secretary-General's previous request for financing arrangements for UNFICYP for the period from 1 July 2004 to 30 June 2005 (A/59/718), the Advisory Committee on Administrative and Budgetary Questions, in paragraph 8 of its related report (A/59/734), indicated that it was of the opinion that requests for revised appropriations should be made only in exceptional circumstances and, taking into account the relatively minor amount being requested, the Committee recommended that any additional requirement be reported in the performance report.

11. As at 31 January 2008, outstanding contributions to the Special Account for UNFICYP amounted to $27.4 million, which represents 59 per cent of the approved

budget for the 2007/08 period. Against this background, and bearing in mind the recommendation of the Advisory Committee, the Secretariat considers that the circumstances of this request are exceptional, owing to the fact that: (a) the additional requirements relate primarily to cash resources for the payment of mission subsistence allowances, national staff salaries and related costs, as well as payments to commercial vendors for goods and services; and (b) the budget of UNFICYP does not have the capacity to absorb the additional requirements, which represent 7.8 per cent of its total budget for the 2007/08 period.

12. **The actions to be taken by the General Assembly in connection with the financing of the Force are:**

(a) **To appropriate an amount of $3,646,500 for the maintenance of the Force for the 12-month period from 1 July 2007 to 30 June 2008, including an amount of $1,166,700 of the net appropriation to be funded through voluntary contributions from the Government of Cyprus, in addition to the amount of $46,587,400 already appropriated for the same period for the maintenance of the Force under the provisions of General Assembly resolution 61/280;**

(b) **To assess the total amount of $2,479,800, representing the balance of the additional appropriation, comprising the amount $2,376,475 for the period from 1 July 2007 to 15 June 2008 and the amount of $103,325 for the period from 15 to 30 June 2008, should the Security Council decide to extend the mandate of UNFICYP.**